

MOST-FAVORED-NATION TREATMENT FOR AREAS UNDER OCCUPATION OR CONTROL

Exchange of identical notes at Ankara July 4, 1948

Notice of Turkish ratification given July 13, 1948

Entered into force July 13, 1948

Expired in accordance with its terms

62 Stat. 2934; Treaties and Other
International Acts Series 1834

*The American Ambassador to the Minister of Foreign Affairs*¹

EMBASSY OF THE
UNITED STATES OF AMERICA
ANKARA, TURKEY
July 4, 1948

EXCELLENCY:

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the territorial application of commercial arrangements between the United States of America and the Republic of Turkey and to confirm the understanding reached as a result of these conversations as follows:

1. For such time as the Government of the United States of America participates in the occupation or control of any areas in western Germany, the Free Territory of Trieste, Japan or southern Korea, the Government of the Republic of Turkey will apply to the merchandise trade of such area the provisions relating to the most-favored-nation treatment of the merchandise trade of the United States of America set forth in the Trade Agreement between the United States of America and Turkey, signed April 1, 1939,² or, for such time as the Governments of the United States of America and the Republic of Turkey may both be contracting parties to the General Agreement on Tariffs and Trade, dated October 30, 1947,³ the provisions of

¹ An identical note was sent on the same day by the Minister of Foreign Affairs to the American Ambassador.

² EAS 163, *ante*, p. 1136.

³ TIAS 1700, *ante*, vol. 4, p. 639.

that Agreement, as now or hereafter amended, relating to the most-favored-nation treatment of such trade. It is understood that the undertaking in this paragraph relating to the application of the most-favored-nation provisions of the Trade Agreement shall be subject to the exceptions recognized in the General Agreement on Tariffs and Trade permitting departures from the application of most-favored-nation treatment; provided that nothing in this sentence shall be construed to require compliance with the procedures specified in the General Agreement with regard to the application of such exceptions.

2. The undertaking in point 1, above, will apply to the merchandise trade of any area referred to therein only for such time and to such extent as such area accords reciprocal most-favored-nation treatment to the merchandise trade of the Republic of Turkey. In this connection, the Government of the United States of America will seek arrangements whereby such areas will accord most-favored-nation treatment (including most-favored-nation treatment in the application of quantitative restrictions in accordance with the principles of the General Agreement on Tariffs and Trade) to the merchandise trade of Turkey.

3. The undertakings in points 1 and 2, above, are entered into in the light of the absence at the present time of effective or significant tariff barriers to imports into the areas herein concerned. In the event that such tariff barriers are imposed, it is understood that such undertakings shall be without prejudice to the application of the principles set forth in the Havana Charter for an International Trade Organization⁴ relating to the reduction of tariffs on a mutually advantageous basis.

4. It is recognized that the absence of a uniform rate of exchange for the currency of the areas in western Germany, Japan or southern Korea referred to in point 1, above, may have the effect of indirectly subsidizing the exports of such areas to an extent which it would be difficult to calculate exactly. So long as such a condition exists, and if consultation with the Government of the United States of America fails to reach any agreed solution to the problem, it is understood that it would not be inconsistent with the undertaking in point 1 for the Government of the Republic of Turkey to levy a countervailing duty on imports of such goods equivalent to the estimated amount of such subsidization, where the Government of the Republic of Turkey determines that the subsidization is such as to cause or threaten material injury to an established domestic industry or is such as to prevent or materially retard the establishment of a domestic industry.

5. The undertakings in this note shall remain in force until January 1, 1951, and unless at least six months before January 1, 1951, either Govern-

⁴Unperfected; for excerpts, see *A Decade of American Foreign Policy; Basic Documents, 1941-49* (S. Doc. 123, 81st Cong., 1st sess.), p. 391.

ment shall have given notice in writing to the other of intention to terminate these undertakings on that date, they shall remain in force thereafter until the expiration of six months from the date on which such notice shall have been given.

Please accept, Excellency, the renewed assurances of my highest consideration.

EDWIN C. WILSON

His Excellency

NECMEDDIN SADAK

Minister of Foreign Affairs

Ankara